



Commonwealth of Kentucky

CONTRACT

IMPORTANT

Show Doc ID number on all packages, invoices and correspondence.

Doc Description: Industrial Retrofit Showcase	
Doc ID No: PON2 645 1100000384 1	Procurement Folder: 1696828
Procurement Type: Personal Service Contract	
Administered By: Tim Back	Cited Authority: FAP111-43-00-STD
Telephone: 502-564-4252 ext 4217	Issued By: Tim Back

C O N T R A C T O R	ARCH CHEMICALS INC	
	2450 OLIN ROAD	
	BRANDENBURG	KY 40108-0547
	US	

Line	CL Description	Due Date	Quantity	Unit Issue	Unit Price	Contract Amt	Total Price
1	Industrial Facility Retrofit Showcase		0.00		0.00000	450,000.00	450,000.00

Extended Description

Project Begin Date 08/01/10
Project End Date 06/30/12

This project will use federal ARRA funds to install a secondary heat exchanger in the Arch Chemicals, Inc. plant in Brandenburg, Ky.

B I L T O	504127	S H I P T O	504127
	EDC DEPT OF EXIST BUSINESS DEV		EDC DEPT OF EXIST BUSINESS DEV
	300 WEST BROADWAY		300 WEST BROADWAY
	OLD CAPITOL ANNEX		OLD CAPITOL ANNEX
	FRANKFORT KY 40601		FRANKFORT KY 40601
	US		US

Total Order Amount:	450,000.00
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GRANT AGREEMENT

This Grant Agreement (the "Agreement") is made and entered into this _____ day of April, 2010, by and between, Arch Chemicals, Inc., a Virginia corporation, with address of 501 Merritt 7, Norwalk, Connecticut 06856-5204 hereinafter referred to as Subrecipient and the Commonwealth of Kentucky, Cabinet for Economic Development, hereinafter referred to as the Cabinet or the Recipient.

WHEREAS, the Energy and Environment Cabinet ("EEC") has been awarded federal funds pursuant to the American Recovery and Reinvestment Act ("ARRA") for energy projects, including Industrial Facility Retrofit Showcase projects; and

WHEREAS, EEC awarded a portion of its ARRA funding to the Cabinet for Economic Development (the "Cabinet") for award and disbursement to qualifying Industrial Facility Retrofit Showcase projects; and

WHEREAS, the purpose of this Agreement is to set forth the terms and conditions under which the Cabinet agrees to dispense up to Four Hundred Fifty Thousand Dollars (\$450,000) to the Subrecipient for a qualifying project: and

WHEREAS, Subrecipient desires to use the funds for the Project as described in Exhibit A attached hereto.

NOW, THEREFORE, in consideration of the premises and the terms and conditions hereinafter set forth, the parties hereby agree as follows:

1. GENERAL PROVISIONS

A. Contents of Agreement

This Agreement shall consist of the following documents which are incorporated by reference as if fully set out herein: (1) the Grant Agreement and all exhibits to which this Grant Agreement refers; (2) Solicitation No. RFP 645 1000000233 (Exhibit C); (3) the Subrecipient's formal response to that solicitation (Exhibit D); (4) the Memorandum of Agreement between the Cabinet and the Energy and Environment Cabinet (the "MOA") (Exhibit E); (5) any applicable state or federal administrative regulations and federal notices; and (6) any amendments or modifications to any of the above referenced requirements.

B. General Definitions

Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement:

- (1) "ARRA" means the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5
- (2) "Default" means any default set forth in Section 7-A of this Agreement,
- (3) "Eligible Costs" means costs for the Project identified in Exhibit A of this Agreement for which grant funds are budgeted as specified in Exhibit B of this Agreement and

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which are allowable pursuant to ARRA and the terms of the MOA,

(4) "Grant Funds" means those funds to be provided by EEC to the Cabinet pursuant to the terms of this Agreement and further disbursed to Subrecipient as specified herein.

(5) "Project" means the activities described in Exhibit A of this Agreement, which are to be carried out to meet the objectives of the ARRA.

(6) "Project Amendment" means a change to the Project or the Project Budget which significantly alters the cost, scope, location or objective of the Project, and/or results in a change or cumulative changes to the Project Budget set forth in Exhibit B.

(7) "Project Budget" means the budget submitted for approval by Subrecipient and approved by Cabinet which is incorporated as Exhibit B to this Agreement. Only costs included in the Exhibit B are eligible for reimbursement.

(8) "Recipient" may be used interchangeably with the term Cabinet to identify the Cabinet for Economic Development as the entity receiving ARRA funds from the Energy and Environment Cabinet.

(9) "Subcontractor" means any entity providing equipment, labor or construction services related to the Project whose fees and expenses will be deemed Eligible Costs reimbursable pursuant to the terms of this Agreement.

(10) "Subrecipient" may be used interchangeably with the term Company, to identify the Company chosen by the Cabinet to receive grant funds for the purpose of implementation of the Project identified in Exhibit A to this Agreement.

2. AMOUNT AND AUTHORIZED USES OF GRANT FUNDS

A. Grant Assistance Provided

In consideration of the various obligations undertaken by the Subrecipient pursuant to this Agreement, the Cabinet agrees, subject to the terms and conditions set forth herein, to provide the Subrecipient with Grant Funds on a cost reimbursement basis in an amount up to sixty percent (60%) of the total Project cost, not to exceed Four Hundred Fifty Thousand Dollars (\$450,000). Only costs included in Exhibit B and consistent with the Project as identified in Exhibit A are eligible for reimbursement. No costs incurred prior to the official contract start date or after contract closeout are reimbursable.

B. Authorized Uses of Grant Funds

The Grant Funds provided to the Subrecipient pursuant to this Agreement shall be used only for the specific purposes described in Exhibit A of this Agreement and in the amounts budgeted in Exhibit B of this Agreement. Any Project Amendment must be submitted to the Cabinet for approval and may be subject to further approval of EEC as set forth in Section 5.L.

C. Adjustments to Grant Funds

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The amount of Grant Funds which the Cabinet has agreed to provide to the Subrecipient under this Agreement has been determined by the Cabinet in reliance upon the cost estimates of the Subrecipient with respect to the Project set forth in Exhibit A. The Commonwealth reserves the right to reduce the grant amount (i) to conform to any Project Amendment to which the Subrecipient and the Cabinet may agree with respect to Exhibits A or B of this Agreement, (ii) if the actual costs for activities are lower than those set forth in Exhibit B of this Agreement, or (iii) if the matching funds pledged by the Subrecipient are less than the amount specified in Exhibit B and Section 5.D. of this Agreement.

3. DISBURSEMENT OF GRANT FUNDS

A. Authorization.

The Subrecipient is authorized to draw grant funds only in accordance with the provisions of this Agreement and the procedures established by the Cabinet. No payment by the Cabinet of an improper or unauthorized draw to the Subrecipient shall constitute a waiver of the right of the Cabinet to challenge the validity of said draw, to enforce all rights and remedies set forth in the Agreement, or take corrective or remedial administrative action, which action may include, without limitation, suspension or termination of the Subrecipient's funding under this Agreement.

B. Disbursement Request.

Disbursements of Grant Funds shall be made by the Cabinet to the Subrecipient monthly upon receipt of appropriate requests and reports subject to (i) execution of this Agreement by each of the respective parties hereto, (ii) continuing performance by the Subrecipient of each of the requirements set forth in Sections 4 and 5 of this Agreement, (iii) upon the receipt by the Cabinet of properly completed and executed reports and invoices meeting the requirements of Exhibit H.

C. Amount of Disbursements.

The specific amount of any disbursement shall be determined by multiplying the total approved paid costs on a submitted invoice by the percentage listed in 2(A) above, not to exceed the total grant amount listed in 2(A), and justified by the documentation received by the Cabinet in support thereof. The Subrecipient agrees to deliver to the Cabinet by the third day of each month or at other times upon request of the Cabinet, all receipts, vouchers, statements, bills of sale, or other evidence satisfactory to the Cabinet of actual payment of the Eligible Costs associated with the Project.

D. Right to Withhold Funds.

The Cabinet may amend, reduce, or withhold funding of any disbursement until such time as the Cabinet shall be satisfied in its sole discretion that the requirements set forth in this Agreement have been performed in full and that the documentation received by the Cabinet in support thereof support the amount of the disbursement requested by the Subrecipient. The Cabinet may elect to amend, reduce, or withhold any disbursement if the Cabinet determines at any time in its sole discretion that (i) the Subrecipient has failed to comply with the terms and conditions of this Agreement, or (ii) should any Event of Default have occurred and be continuing.

E. Availability of Funds.

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Subrecipient agrees that all disbursements are subject to receipt of funding by the Cabinet from EEC pursuant to the terms of the MOA between the Cabinet and EEC and receipt of the ARRA funding supporting this grant. Programs and projects supported with temporary federal funds made available by the ARRA will not be continued with state financed appropriations once the temporary federal funds are expended or the termination date has passed.

4. ARRA Compliance

All disbursement requests shall be subject to continuing compliance with all federal and state requirements for use of ARRA funds as set forth in the MOA between the Cabinet and EEC attached hereto as Exhibit E and incorporated herein and as amended by a federal or state agency having jurisdiction. The Subrecipient understands and acknowledges that the federal stimulus process is evolving and that new requirements for ARRA compliance may still be forthcoming from the federal government and the Commonwealth of Kentucky. Accordingly, the Subrecipient specifically agrees that both it and any Subcontractors will comply with all such requirements during the term of this Agreement. To the extent ARRA requirements conflict with Commonwealth of Kentucky requirements, the ARRA requirements shall control. The requirements of ARRA include, but are not limited to:

A. False Claims Act.

Subrecipient agrees that it shall promptly refer to an appropriate federal inspector general any credible evidence that a principal, employee, agent, subgrantee, Subcontractor or other person has committed a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds.

B. Enforceability.

Subrecipient agrees that if it or one of its subcontractors fails to comply with all applicable federal and state requirements governing the use of ARRA funds, the Cabinet may withhold or suspend, in whole or in part, funds awarded under the program, or recover misspent funds following an audit. This provision is in addition to all other remedies available to the Commonwealth of Kentucky under all applicable state and federal laws.

C. Job Postings.

Subrecipients and their subcontractors who receive ARRA funded contracts are required to post jobs created and retained as a result of stimulus funds on the Commonwealth of Kentucky Job Bank at: <https://e3.ky.gov/> and any contract with Subcontractors related to this Project shall include this requirement as an obligation of the Subcontractor.

D. Reporting.

Pursuant to Section 1512 of the ARRA, entities receiving ARRA funds must submit reports to the federal government. Because these ARRA funds have been awarded to EEC and then through the Cabinet to the Subrecipient, the Cabinet must report to EEC so that it can in turn meet its reporting deadline pursuant to ARRA. The Cabinet agrees to submit the required reports to EEC on behalf of the Subrecipient. To facilitate the Cabinet's compliance with the reporting requirements, the Subrecipient agrees to provide the information and documentation required monthly as set forth in Exhibit H and in a form specified by the Cabinet **no later than**

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the close of business on the third day following the month in which the activity occurred. Reports shall begin with the month in which the contract is awarded, and shall continue on a monthly basis until the final month of contract closeout.

The Subrecipient shall also submit the required monthly reports meeting all of the requirements set forth in Exhibit H by the third day of each month or, if the third day of the month falls on a weekend, on the last business day prior to the third day of the month.

E. Subcontractor Requirements.

Subrecipient agrees that it shall include these standard terms and conditions, including this requirement, in any of its subcontracts or subgrants in connection with projects funded in whole or in part with funds available under the ARRA.

F. Prevailing Wage.

Subrecipient agrees that, in accordance with Section 1606 of the ARRA and notwithstanding any other provision of law, and in a manner consistent with the other provisions of the ARRA, all laborers and mechanics employed by contractors and subcontractors on projects funded in whole or in part with funds available under the ARRA shall be paid wages at rates not less than the prevailing wage for projects of a character similar in the locality. The current prevailing wage rate as of the effective date of this agreement is set forth in Exhibit F and incorporated herein. Subrecipient is responsible for complying with the prevailing wage requirements and ensuring that subcontractors comply with the requirement as well during the term of this Agreement.

G. Whistleblower Protection.

Subrecipient agrees that both it and its Subcontractors shall comply with Section 1553 of the ARRA, which prohibits all non-federal Recipients of ARRA funds, including the Cabinet, and the Subrecipient, from discharging, demoting or otherwise discriminating against an employee for disclosures by the employee that the employee reasonably believes are evidence of (1) gross mismanagement of a contract or grant relating to ARRA funds; (2) a gross waste of ARRA funds; (3) a substantial and specific danger to public health or safety related to the implementation or use of ARRA funds; (4) an abuse of authority related to implementation or use of ARRA funds; or (5) a violation of law, rule, or regulation related to an agency contract (including the competition for or negotiation of a contract) or grant, awarded or issued relating to ARRA funds. Subrecipient agrees that it and its Subcontractors shall post notice of the rights and remedies available to employees under Section 1553 of Title XV of Division A of the ARRA. Subrecipient shall obligate its Subcontractors to comply with this requirement as a term of any subcontract entered into related to this Project.

5. REPRESENTATIONS, WARRANTIES, AND OBLIGATIONS

The Subrecipient hereby represents and warrants to the Cabinet as follows:

A. Existence.

The Subrecipient is duly organized and validly existing under the laws of the State of Virginia and is qualified to do business in Kentucky and in all other states in which it is required

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to be so qualified.

B. Authority to Act.

The Subrecipient has the requisite power, capacity, and authority to execute and deliver this Agreement and, to consummate the transactions contemplated by this Agreement, and to observe and to perform this Agreement in accordance with its terms and conditions. The officers executing and delivering this Agreement on behalf of the Subrecipient have been and are duly authorized to enter into this Agreement on behalf of the Subrecipient.

C. Validity of Agreement; Compliance with Law.

The Agreement is in all respects the legal, valid, and binding obligation of the Subrecipient according to its terms and conditions. The execution and delivery of this Agreement and the performance or observance by the Subrecipient of the terms and conditions thereof, does not and will not violate any existing provisions of the Subrecipient's Articles of Organization, Operating Agreement, or other agreements of organization, or any Laws applicable to the Subrecipient.

D. Subrecipient Contribution.

The Subrecipient is obligated to provide a minimum of forty percent (40%) of the total approved cost of the Project and, shall only be eligible for reimbursement of sixty percent (60%) of the total approved costs submitted to support a disbursement of Grant Funds up to a maximum of Four Hundred Fifty Thousand Dollars (\$450,000).

E. Government Requirements.

The real property on which the Project is located is in conformity with all required zoning and other governmental requirements or has received variances allowing such lack of conformity. The Project has been approved by all necessary governmental authorities, including state and local authorities, and the Subrecipient has obtained all necessary permits, licenses, certifications, and authorizations necessary to complete of the Project.

F. Litigation.

No litigation or proceeding involving the Subrecipient is pending or, to the best of the knowledge of the Subrecipient, is threatened in any court or administrative agency that is reasonably expected to have a materially adverse impact on the ability of either of them to perform any of their respective obligations under this Agreement.

G. No Defaults.

The Subrecipient is not in default under any material contract, agreement, lease, bank loan, or credit agreement to which it is a party or by which it is bound, nor has any event occurred which after the giving of notice or the passage of time, or both, would constitute a default under any such contract, agreement, lease, bank loan, or credit agreement, which could have a materially adverse impact on the ability of Subrecipient to perform its obligations under this Agreement. No Event of Default exists on the date hereof, nor shall any such Unmatured Default or Event of Default begin to exist immediately after the execution and delivery of this Agreement.

H. Conflicting Transactions.

The consummation of the transaction contemplated hereby and the performance of the obligations of Subrecipient under and by virtue of this Agreement shall not result in any breach

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of, or constitute a default under, any material contract, agreement, lease, bank loan, or credit agreement to which either is a party or by which either is bound.

I. Disclosure.

Neither this Agreement nor Subrecipient's response to the Solicitation (Exhibit C) contains any false or misleading statement of or omission of any material fact. There is no fact known to the Subrecipient that materially and adversely affects, or in the future could materially and adversely affect, the business, operations, affairs, or condition, financial or otherwise, of the Subrecipient that has not been disclosed to the Cabinet.

J. Anti-Lobbying.

The Subrecipient certifies that; No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

K. Obligation to Complete Project.

The Subrecipient shall use its best efforts to assure the completion of the Project as described in Exhibit A of the Agreement.

L. Cabinet Approval of Amendments

The Cabinet will consider amendments to the Project or the Project Budget initiated by the Subrecipient, but no amendments are allowed without prior approval from the Cabinet. The Cabinet defines a Project Amendment as a request for change which significantly alters the cost, scope, location, or objective of the Project, and/or results in a change or cumulative changes to the Project Budget set forth in Exhibit B.

M. Mechanic's Lien.

The Subrecipient has and shall hereafter comply with all Laws relating to mechanic's liens and other equitable liens with respect to the Project, including without limitation payment and notice provisions contained therein. The Subrecipient covenants to either contest or to discharge liens or claims for payments associated with the construction of the Project within a reasonable time period after filing. The Subrecipient shall indemnify and hold the Cabinet harmless from the claims of mechanic's liens or other equitable liens affecting the Project and shall pay promptly upon demand any loss or losses that the Cabinet may incur as a result of the filing of any such liens, including without limitation the reasonable cost of legal defense and the reasonable attorney's fees of the Cabinet arising in connection therewith. In addition, the Subrecipient shall cause, at its sole cost and expense, any mechanic's liens or other equitable

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liens that may be filed against the Project or against any undisbursed Grant Funds to be released or bonded within thirty (30) days after the date of the filing thereof. The Cabinet shall have the option (but not the obligation), to cause to be released any lien existing against the Project more than thirty (30) days after the date of the filing thereof, and all payments made or costs incurred by the Cabinet in connection therewith shall be immediately due and payable upon the Cabinet's demand by the Subrecipient. No exercise by the Cabinet of such option shall in any way affect the provisions of this Agreement, including without limitation the provision that failure by the Subrecipient to cause mechanic's and other equitable liens to be released within thirty (30) days of the filing thereof shall constitute an Event of Default hereunder.

N. No Transfer of Project. During the term of this Agreement, the Subrecipient shall not sell, lease, sub-lease, convey, mortgage, encumber, or dispose of all or any portion of the Project in any manner except as specifically permitted herein without first notifying the Cabinet in writing.

O. Maintenance of Project. The Subrecipient shall maintain the Project in good condition, order, and repair, and shall make all repairs thereto as are necessary or appropriate. The Subrecipient shall not commit or suffer any waste to the Project and shall not do or suffer anything to be done that may increase the risk of fire or other hazards thereto.

P. Compliance with Laws. The Subrecipient shall promptly comply with all Laws relating to the use and operation of the Project.

Q. Taxes and Other Obligations. The Subrecipient shall pay on or before the date due, as applicable, all taxes, assessments, charges, liens, encumbrances, levies, and claims of every character that have been levied or assessed or that may hereafter be levied or assessed upon or against the Project. The Subrecipient shall pay on or before the date due all utility charges relating to the Project, whether public or private, and upon demand shall furnish the Cabinet receipts evidencing such payment.

6. INSPECTION AND REVIEW

A. Duty to Maintain and Rights to Inspect and Copy, Books, Records and Documents

(1) The Subrecipient agrees that the Cabinet, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this Agreement for the purpose of financial audit or program review. Furthermore, any books, documents, papers, records, or other evidence provided to the Cabinet, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission which is directly pertinent to the Agreement shall be subject to public disclosure regardless of the proprietary nature of the information, unless specific information is identified and exempted and agreed to by the Secretary of the Finance and Administration Cabinet as meeting the provisions of KRS 61.878(1) (c) prior to the execution of the contract. The specific information exempted prior to execution of this Agreement is identified in the letter attached as Exhibit G. The Secretary of the Finance and

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Administration Cabinet shall not restrict the public release of any information, which would otherwise be subject to public release if a state government agency were providing the services except as provided in Exhibit G.

(2) The Subrecipient shall keep and maintain such books, records and other documents as shall be required pursuant to the terms of this Agreement, and as may be reasonably necessary to reflect and fully disclose the amount and disposition of the ARRA funds, the total cost of the Project paid for in whole or in part with ARRA funds, and the amount and nature of all investments or expenditures relative to the Project which are supplied or to be supplied by other sources.

(3) All such books, records and other documents shall be available at the office of the Subrecipient for inspection, copying, audit and examination at all reasonable times by any duly authorized representative of the Cabinet.

B. Site Visits.

Any duly authorized representative of the Cabinet or EEC shall, at all reasonable times, have access to all portions of the Project until completion of all closeout procedures and final settlement and conclusion of all issues arising from this Agreement.

7. DEFAULTS AND REMEDIES

A. Defaults

An Event of Default shall consist of any use of Grant Funds for any purpose other than as authorized in Exhibits A and B of this Agreement or any breach of any covenant, agreement, provision, or warranty the Subrecipient made in the Agreement.

B. Notice of Default.

The Subrecipient shall promptly give written notice to the Cabinet upon the discovery by the Subrecipient of any Event of Default related to this Agreement.

C. Cure.

Promptly, upon the discovery of any default involving the Subrecipient or any of its Subcontractors, the Subrecipient shall vigorously pursue, to the fullest extent possible, all remedies available to remove or cure such default, or to seek redress or relief from its effects, including reimbursement for any ARRA funds expended on the Project, and to prevent or mitigate any adverse effects on the Project. Subrecipient shall keep the Cabinet fully informed as to the status of such actions.

D. Remedies Upon Default

(1) Upon occurrence of any Event of Default as described in Section 7.A, the Cabinet may suspend the Subrecipient's authority to draw ARRA funds at any time by notice to the Subrecipient. If such default is not cured within thirty (30) consecutive days from notice of such default by the Cabinet to the Subrecipient, the Cabinet may continue such suspension or by delivery of notice terminate this Agreement. In the event of a termination, the Subrecipient's authority to draw Grant Funds shall have terminated at the date of the notice of termination and

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the Subrecipient shall have no right, title or interest in or to any ARRA funds remaining.

(2) In addition to any other rights or remedies, if an Event of Default not cured as provided above consists of the Subrecipient's failure to submit documentation of expenditures as required pursuant to this Agreement or in other official written notification, the Cabinet shall have the right to terminate this Agreement and the award of ARRA funds to which this Agreement relates by delivery of written notice to the Subrecipient. Upon such termination, all obligations of the Cabinet pursuant to this Agreement and such award shall cease and the Subrecipient shall neither have nor retain any rights whatsoever with respect to the ARRA funds provided under this Agreement.

(3) The rights and remedies of the Cabinet shall be deemed to be cumulative and shall be in addition to all those rights afforded the Cabinet by law or equity. Any election of any right or remedy shall not be deemed to be an election of that right or remedy to the exclusion of any other right or remedy. No delay or omission of the Cabinet in exercising any right or remedy available under this Agreement shall impair any such right or remedy or constitute a waiver of any default, or an acquiescence therein.

(4) The rights and remedies available to the Cabinet in the event of a suspension or termination of the Agreement shall survive such suspension or termination.

E. Shut Down Repayment.

Should the Subrecipient close, shut down, or for any reason permanently cease operation of the Project during the term of this Agreement, the entire amount of the Grant Funds shall be due and payable to the Cabinet immediately.

8. MISCELLANEOUS

A. Notice

(1) All amendments, notices, requests, objections, waivers, rejections, agreements, approvals, disclosures and consents of any kind made pursuant to this Agreement shall be in writing.

(2) Any such communication shall be deemed effective for all purposes as of the date such communication is mailed, postage prepaid, by registered, certified or first class mail, to be delivered only to the office of the addressee, addressed as follows:

(a) Communications to the Cabinet shall be mailed to:
Cabinet for Economic Development
Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601
ATTN: Office of Legal Services

(b) Communications to the Subrecipient shall be addressed to the Subrecipient, at the address set forth in Exhibit A of this Agreement, or such other address or representative as may be furnished by the

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Subrecipient to the Commonwealth.

B. Assignment

No right, benefit, or advantage inuring to the Subrecipient under this Agreement and no burden imposed on the Subrecipient hereunder may be assigned without the prior written approval of the Cabinet. An authorization by the Cabinet for the transfer of ARRA funds by Subrecipient to a Subcontractor shall not be deemed an authorization for an assignment, and such Subcontractor shall not succeed to any rights, benefits or advantages of the Subrecipient hereunder.

C. Designation of Agent.

The Subrecipient shall have at all times a properly designated agent to accept service of process who shall be a resident of or have offices in the Commonwealth of Kentucky. The Subrecipient shall notify the Cabinet in writing of the name and address of such agent and of any change in the name or address of such agent.

D. Severability

If any article, subsection, clause or provision of this Agreement is held by any court to be unenforceable or prohibited by any law applicable to this Agreement, the rights and obligations of the parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or, if it is totally unenforceable, as if this Agreement did not contain that particular part, term or provision.

E. Entire Agreement

This Agreement, the Response to Solicitation and all other exhibits and attachments, constitute the entire agreement between the Cabinet and the Subrecipient and supersedes all prior oral and written agreements between the parties hereto with respect to the subject grant.

F. Titles and Headings

Any titles or headings of the sections and subsections set forth herein are not a part of this Agreement and shall not be deemed to affect the meaning or construction of any of its provisions.

G. Amendment of this Agreement

This Agreement, or any part hereof, may be amended as previously described in Section 5(L) from time to time hereafter only in writing executed by the Cabinet and the Subrecipient.

H. Governing Law

This Agreement as it may affect the rights, remedies, duties, and obligations of the Cabinet shall be governed by and construed in accordance with Federal and State law. Insofar as Federal law does not apply, the provisions of this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth.

I. Waiver by the Commonwealth

The Cabinet reserves and shall have the exclusive right to waive, at the sole discretion of the Commonwealth, and to the extent permitted by law, any requirement or provision under this Agreement. No act by or on behalf of the Cabinet shall be, or be deemed or construed to

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be, any waiver of any such requirement or provision, unless the same be in writing, signed by the Cabinet, and expressly stated to constitute such waiver.

J. Effective Date

This agreement is not effective until the Secretary of the Finance and Administration Cabinet or his authorized designee has approved the contract and until the contract has been submitted to the Legislative Research Commission Government Contract Review Committee ("GCRC").

Payments on this Agreement shall not be authorized for services rendered after GCRC disapproval, unless the decision of the GCRC is overridden by the Secretary of the Finance and Administration Cabinet or agency head, if the agency has been granted delegation authority by the Secretary. The Agreement shall continue in effect until the date set forth on Page 1 of this Agreement, unless terminated at an earlier date in accordance with the terms set forth herein. The terms of this Agreement may be renewed or extended upon mutual written agreement duly executed by the parties.

K. Termination of Agreement

This Agreement shall terminate upon the completion of all closeout procedures respecting this grant including provisions of the Single Audit Act, OMB Circular A-133 and the final settlement and conclusion between Subrecipient and the Cabinet of all issues related to the Project. Either party may cancel the contract at any time for cause or may cancel without cause on 30 days' written notice, it being understood that "cause" means an Event of Default not cured as provided in Section 7 (D) (1) in the case of termination by Cabinet. This notice, if tendered by the Cabinet, shall also include the notice to cure provided for in Section 7(D)(1). Upon termination of the Agreement pursuant to this provision, the Subrecipient shall have no right to ARRA funds remaining to be disbursed. This provision shall in no way impair and shall be in addition to any additional remedies either party may have upon a finding of default or other non-compliance according to the terms of this Agreement. Further, if the Agreement is terminated by the Subrecipient without cause or by the Cabinet with cause, the Cabinet may recover all funds paid to the Subrecipient hereunder.

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EXECUTED BY THE PARTIES THIS ____ DAY OF _____, 2010.

CABINET FOR ECONOMIC DEVELOPMENT (RECIPIENT)

By: _____
Larry M. Hayes, Secretary

ARCH CHEMICALS, INC. (SUBRECIPIENT)

By: _____

PRINTED NAME

TITLE

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EXHIBIT LIST

Exhibit A	Project Description
Exhibit B	Project Budget
Exhibit C	Solicitation No. RFP 645 1000000233
Exhibit D	Subrecipient's Response to Solicitation
Exhibit E	Memorandum of Agreement
Exhibit F	Prevailing Wage
Exhibit G	Letter from Finance and Administration
Exhibit H	Reporting Requirements
	PSC Standard Terms and Conditions
	Revised 08June2010

Whereas, the first party, the state agency, has concluded that either state personnel are not available to perform said function, or it would not be feasible to utilize state personnel to perform said function; and

Whereas, the second party, the contractor, is available and qualified to perform such function; and

Whereas, for the abovementioned reasons, the state agency desires to avail itself of the services of the second party;

NOW THEREFORE, the following terms and conditions are applicable to this contract:

Effective Date:

This agreement is not effective until the Secretary of the Finance and Administration Cabinet or his authorized designee has approved the contract and until the contract has been submitted to the Legislative Research Commission, Government Contract Review Committee ("LRC").

Payments on personal service contracts and memoranda of agreement shall not be authorized for services rendered after government contract review committee disapproval, unless the decision of the committee is overridden by the Secretary of the Finance and Administration Cabinet or agency head, if the agency has been granted delegation authority by the Secretary.

Renewals:

Upon expiration of the initial term, the contract may be renewed in accordance with the terms

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and conditions in the original solicitation. Renewal shall be subject to prior approval from the Secretary of the Finance and Administration Cabinet or his authorized designee and the LRC Government Contract Review Committee in accordance with KRS 45A.695 and KRS 45A.705, and contingent upon available funding.

LRC Policies:

Pursuant to KRS 45A.725, LRC has established policies which govern rates payable for certain professional services. These are located on the LRC webpage (<http://www.lrc.ky.gov/Statcomm/Contracts/homepage.htm>) and would impact any contract established under KRS 45A.690 *et seq.*, where applicable.

Choice of Law and Forum:

All questions as to the execution, validity, interpretation, construction and performance of this agreement shall be governed by the laws of the Commonwealth of Kentucky. Furthermore, the parties hereto agree that any legal action which is brought on the basis of this agreement shall be filed in the Franklin County Circuit Court of the Commonwealth of Kentucky.

Cancellation:

The state agency shall have the right to terminate and cancel this agreement at any time not to exceed thirty (30) days' written notice served on the contractor by registered or certified mail.

Funding Out Provision:

The state agency may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The state agency shall provide the contractor thirty (30) calendar days written notice of termination of the contract.

Authorized to do Business in Kentucky:

The contractor affirms that it is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing to do business in the Commonwealth of Kentucky for the duration of any contract awarded.

The Contractor shall maintain certification of authority to conduct business in the Commonwealth of Kentucky during the term of this Contract. Such registration is obtained from the Secretary of State, who will also provide the certification thereof.

Invoices for fees:

The contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by state government.

Travel expenses, if authorized:

The contractor shall be paid for no travel expenses unless and except as specifically authorized by the specifications of the contract.

Other expenses, if authorized herein:

The contractor shall be reimbursed for no other expenses of any kind, unless and except as

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specifically authorized within the specifications of the contract.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish same if requested by state government.

- ✂ Invoicing for fee: the contractor's fee shall be original invoice(s) and shall be documented by the contractor. The invoice(s) must conform to the method described in the specifications of the contract.
- ✂ Invoicing for travel expenses: the contractor must follow instructions described in the specifications of the contract. Either original or certified copies of receipts must be submitted for airline tickets, motel bills, restaurant charges, rental car charges, and any other miscellaneous expenses.
- ✂ Invoicing for miscellaneous expenses: the contractor must follow instructions prescribed in the specifications of the contract. Expenses submitted shall be documented by original or certified copies.

Purchasing and specifications:

The contractor certifies that he will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he attempt in any way to influence any purchasing of services, commodities or equipment by the Commonwealth of Kentucky. For the purpose of this paragraph and the following paragraph that pertains to conflict-of interest laws and principles, "he" is construed to mean "they" if more than one person is involved and if a firm, partnership, corporation, or other organization is involved, then "he" is construed to mean any person with an interest therein.

Conflict-of-interest laws and principles:

The contractor certifies that he is legally entitled to enter into this contract with the Commonwealth of Kentucky, and by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330-45A.340, 45A.990, 164.390), or KRS 11A.040 of the executive branch code of ethics, relating to the employment of former public servants.

Campaign finance:

The contractor certifies that neither he/she nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of this contract, has contributed more than the amount specified in KRS 121.056(2), to the campaign of the gubernatorial candidate elected at the election last preceding the date of this contract. The contractor further swears under the penalty of perjury, as provided by KRS 523.020, that neither he/she nor the company which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth, and that the award of a contract to him/her or the company which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.

Certification:

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The state agency certifies that it is in compliance with the provisions of KRS 45A.695. "Access to contractor's books, documents, papers, records, or other evidence directly pertinent to the contract." The contractor, as defined in KRS 45A.030(9) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884

Protest

Pursuant to KRS 45A.285, The Secretary of the Finance and Administration Cabinet, or his designee, shall have authority to determine protests and other controversies of actual or prospective Vendors in connection with the solicitation or selection for award of a Master Agreement or Contract.

Any actual or prospective Vendor, who is aggrieved in connection with the solicitation or selection for award of a Master Agreement or Contract, may file protest with the Secretary of the Finance and Administration Cabinet. **A protest or notice of other controversy must be filed promptly and in any event within two (2) calendar weeks after such aggrieved person knows or should have known of the facts giving rise thereto. All protests or notices of other controversies must be in writing and shall be addressed to:**

Jonathan Miller, Secretary
Commonwealth of Kentucky
Finance and Administration Cabinet
Room 383, New Capitol Annex
702 Capitol Avenue
Frankfort, KY 40601
Phone #: (502) 564-4240
Fax #: (502) 564-6785

The Secretary of Finance and Administration Cabinet shall promptly issue a decision in writing. A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

The decision by the Secretary of the Finance and Administration Cabinet shall be final

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and conclusive.

Social security: (check one)

_____ the parties are cognizant that the state is not liable for social security contributions pursuant to 42 U.S. Code, section 418, relative to the compensation of the second party for this contract.

_____ the parties are cognizant that the state is liable for social security contributions pursuant to 42 U.S. Code, section 418, relative to the compensation of the second party for this contract.

Violation of tax and employment laws:

KRS 45A.485 requires the contractor to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the contractor shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the contractor shall be in continuous compliance with the provisions of those statutes which apply to the contractor's operations, and that the contractor's failure to reveal a final determination as described above or failure to comply with the above statutes for the duration of the contract, shall be grounds for the Commonwealth's cancellation of the contract and the contractor's disqualification from eligibility for future state contracts for a period of two (2) years.

Contractor must check one:

_____ The contractor has not violated any of the provisions of the above statutes within the previous five (5) year period.

_____ the contractor has violated the provisions of one or more of the above statutes within the previous five (5) year period and has revealed such final determination(s) of violation(s). A list of such determination(s) is attached.

Discrimination:

Discrimination (because of race, religion, color, national origin, sex, age, or disability) prohibited. This section applies only to contracts utilizing federal funds, in whole or in part. During the performance of this contract, the contractor agrees as follows:

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1. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex or age. The contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The contractor agrees to provide, upon request, needed reasonable accommodations. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, age or disability. Such action shall include, but not be limited to the following; employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, age or disability.

3. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

4. The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965 as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

5. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in or as otherwise provided by law.

7. The contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions

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will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

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Solicitation/Contract #: _____

REQUIRED AFFIDAVIT FOR BIDDERS, OFFERORS AND CONTRACTORS
OF 2

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FOR BIDS AND CONTRACTS IN GENERAL:

- I. Each bidder or offeror swears and affirms under penalty of perjury, that:
 - a. In accordance with [KRS 45A.110](#) and [KRS 45A.115](#), neither the bidder or offeror as defined in [KRS 45A.070\(6\)](#), nor the entity which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth of Kentucky; and the award of a contract to the bidder or offeror or the entity which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.
 - b. The bidder or offeror swears and affirms under penalty of perjury that, to the extent required by Kentucky law, the entity bidding, and all subcontractors therein, are aware of the requirements and penalties outlined in [KRS 45A.485](#); have properly disclosed all information required by this statute; and will continue to comply with such requirements for the duration of any contract awarded.
 - c. The bidder or offeror swears and affirms under penalty of perjury that, to the extent required by Kentucky law, the entity bidding, and its affiliates, are duly registered with the Kentucky Department of Revenue to collect and remit the sales and use tax imposed by [KRS Chapter 139](#), and will remain registered for the duration of any contract awarded.
 - d. The bidder or offeror swears and affirms under penalty of perjury that the entity bidding is not delinquent on any state taxes or fees owed to the Commonwealth of Kentucky and will remain in good standing for the duration of any contract awarded.

FOR “NON-BID” CONTRACTS (I.E. SOLE-SOURCE; NOT-PRACTICAL OR FEASIBLE TO BID; OR EMERGENCY CONTRACTS, ETC):

- II. Each contractor further swears and affirms under penalty of perjury, that:
 - a. In accordance with [KRS 121.056](#), and if this is a non-bid contract, neither the contractor, nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of any contract awarded, have contributed more than the amount specified in [KRS 121.150](#) to the campaign of the gubernatorial slate elected in the election last preceding the date of contract award.
 - b. In accordance with [KRS 121.330\(1\) and \(2\)](#), and if this is a non-bid contract, neither the contractor, nor officers or employees of the contractor or any entity affiliated with the contractor, nor the spouses of officers or employees of the contractor or any entity affiliated with the contractor, have knowingly contributed more than \$5,000 in aggregate to the campaign of a candidate elected in the election last preceding the date of contract award that has jurisdiction over this contract award.

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Solicitation/Contract #: _____

REQUIRED AFFIDAVIT FOR BIDDERS, OFFERORS AND CONTRACTORS
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- c. In accordance with [KRS 121.330\(3\) and \(4\)](#), and if this is a non-bid contract, to the best of his/her knowledge, neither the contractor, nor any member of his/her immediate family, his/her employer, or his/her employees, or any entity affiliated with any of these entities or individuals, have directly solicited contributions in excess of \$30,000 in the aggregate for the campaign of a candidate elected in the election last preceding the date of contract award that has jurisdiction over this contract.

As a duly authorized representative for the bidder, offeror, or contractor, I have fully informed myself regarding the accuracy of all statements made in this affidavit, and acknowledge that the Commonwealth is reasonably relying upon these statements, in making a decision for contract award and any failure to accurately disclose such information may result in contract termination, repayment of funds and other available remedies under law.

Signature

Printed Name

Title

Date

Company Name

Address

Subscribed and sworn to before me by

(Affiant)

(Title)

of _____ this ____ day of _____, 20____.
(Company Name)

Notary Public
[seal of notary]

My commission expires: _____

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EXHIBIT H

All required reports must be submitted monthly by the third day of the month following the month in which the activity occurred. For example, June monthly reports must be submitted no later than July 3.

Capitalized terms used in this Exhibit and not otherwise defined herein shall have the meanings given to such terms in the Grant Agreement.

A. REGULAR REPORTS

Fiscal Reports

The following fiscal documents must be submitted on a monthly basis:

1. Monthly invoices for all Project expenditures, indicating:
 - a. Current monthly expenditures
 - b. Cumulative expenditures to date
 - c. Invoices and supporting documentation will be reviewed by the Cabinet. The Subrecipient will be reimbursed for approved Eligible Costs related to the Project in accordance with the terms and conditions of the Agreement. All payments will be made on a reimbursement basis.
 - d. Expended funds include those funds directly associated with the Project that have been paid by the Subrecipient. Do not include expenses incurred or obligated, but not yet paid, in this section. Expenses obligated but not yet paid should be reported in Section 3.
 - e. Summarize invoice amounts by Project Budget category as set forth in Exhibit B.
 - f. The following statement must be on the invoice or included as an attachment to the invoice, along with a binding signature:

I hereby certify that to the best of my knowledge and belief the information on this invoice, along with supporting documentation, is correct and that the costs associated with this invoice accurately reflect allocable, reasonable, and allowable expenses associated with authorized Project. I further certify that these costs have been paid and reimbursement has not been previously requested.

2. Backup documentation for each invoice. Examples:

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- a. Personnel – payroll spreadsheet showing time worked within the invoice period. Spreadsheet shall contain salary information, name of employee or some identifiable number, percent of time applied to grant along with the number of hours and fringe benefits per person. For workers performing construction work, provide the information required by the Davis-Bacon and Related Acts (DBRA). Optional form WH-347, available at www.dol.gov/whd/forms/wh347instr.htm, meets DBRA payroll documentation requirements.
 - b. Fringe – an approved fringe benefit (FICA, retirement, health insurance, etc.); include in payroll spreadsheet if reimbursement is claimed.
 - c. Travel – travel costs claimed must be reasonable and directly allocable to the Project. Provide invoices documenting payment of travel. Travel outside the state of Kentucky requires prior approval from the Cabinet. Approved mileage will be paid at the applicable rate as published at <http://finance.ky.gov/internal/travel>.
 - d. Equipment – receipt marked paid that clearly identifies the equipment purchased (an invoice shall be submitted after equipment is paid for).
 - e. Supplies – receipt marked paid that clearly identifies the supplies purchased (an invoice shall be submitted after supplies are paid for).
 - f. Payments to Subcontractors– invoice and documentation that item has been paid (Subrecipient shall verify invoice).
 - g. Other – receipt marked paid (an invoice shall be submitted after item is paid for).
3. Funds Obligated: Provide summary of all funds obligated but not yet paid as of the end of the month, including the following information:
 - a. Amount of funds obligated
 - b. Who funds are obligated to
 - c. Description of obligated funds
 4. Cost Status. Show Project Budget as set forth in Exhibit B and actual costs incurred by budget category. Provide an explanation of any proposed budget category variance in excess of 10% of the total cost of the Project. Budget category changes in excess of 10% of the total cost of the Project require prior approval by the Cabinet. Actual Eligible Costs incurred must equal the cumulative paid Project expenditures (Section 1 above) plus the amount of funds obligated (Section 3 above).

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5. Final invoice: The final invoice should be clearly marked as “FINAL INVOICE” to indicate that all funds that will be expended have been expended. This is important to ensure Project closeout.

Other information:

1. In the event the Subrecipient incurs no expenses for a given month, the Subrecipient will need to submit an invoice for zero dollars or provide a “notice of no expenses” for that month.
2. All invoices should indicate the Document ID Number, which can be found at the top of the Subrecipient contract document. The Document ID Number can be recognized by the beginning letters “PON2” or “PO2”. All invoices from vendors must include the vendor DUNS # and/or the vendor headquarters zip code.
3. Accurate records should be kept on Project expenditures for all ARRA-funded efforts for a period of at least three (3) years from the grant close-out date.
4. Subrecipients must be able to identify the specific products or services that are purchased using ARRA funds.
5. Acceptable Fiscal Report delivery options include:

Fax: 502-564-5932

Email: Tim.Back@ky.gov

Mail: Tim Back, Assistant Director

Small Business Services Division

Ky Cabinet for Economic Development

23rd Floor, Capital Plaza Tower

500 Mero Street

Frankfort, KY 40601

Format: If emailed, the Fiscal Report should be in Microsoft Word or Adobe Acrobat format. Any other format must receive prior approval from the Cabinet.

If mailed, note that the report must be received (not mailed) by the third day of the month.

Programmatic Status Reports

A programmatic status report shall be submitted as an electronic file on a monthly basis. The following detailed list of all activities for which ARRA Pub. L. 111-5, covered funds were expended or obligated shall be submitted including:

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1. Introductory Information
 - a. Contract award number and name of grant Subrecipient.
 - b. Name of Project.
 - c. Primary Project director or administrator contact.
 - d. Date of report and period covered by the report.
2. Remarks (problems, issues variances from plan)
3. Schedule Status. List milestones, anticipated completion dates and actual completion dates. The Subrecipient may use its own project management system to supplement this information. Provide a comparison of the actual accomplishments with the milestones for the period as identified in the Subrecipient's proposal and explain any variations.
4. Any changes in approach or aims and reasons for change. Significant changes to the objectives and scope require prior approval by the Cabinet.
5. Actual or anticipated problems or delays and actions taken or planned to resolve them.
6. Any absence or changes of key personnel or changes in consortium/teaming arrangement, e.g. Subrecipient primary contact, Subcontractors, etc.
7. Accomplishments, publicity, news
 - a. A discussion of what was accomplished during this reporting period, including major activities, significant results, major findings or conclusions, key outcomes or other achievements. This section should not contain any proprietary data or other information not subject to public release. If such information is important to reporting progress, do not include the information, but include a note in the report advising the reader to contact the Subrecipient Primary Contact for further information.
 - b. A description of any product produced or technology transfer activities accomplished during this reporting period, such as:
 - 1) Web site or other Internet sites that reflect the results of this Project.
 - 2) Networks or collaborations fostered.
 - 3) Technologies/Techniques.
 - 4) Inventions/Patent Applications.

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- 5) Publications (list journal name, volume, issue); conference papers; or other public releases of results or public relations activities or events.
 - 6) Other products, such as data or databases, physical collections, audio or video, software or netware, models, educational aid or curricula, instruments or equipment.
 - 7) Infrastructure investments made, purpose, total cost.
8. Format: Reports can be provided in Microsoft Word or Adobe Acrobat format. Any other format must receive prior approval from the Cabinet.
 9. Where to Submit: Programmatic Status Reports should be emailed to Tim.Back@ky.gov.

Metrics Report

The following set of metrics shall be reported on a monthly basis to the Cabinet.. Report only amounts for the applicable monthly reporting period. Do not report yearly or cumulative totals. Guidelines for accurately reporting metrics information can be found in the Metrics and Milestones section (pages 6-12) of the *American Recovery and Reinvestment Act Recipient Compliance Manual*, which is available online at www.energy.ky.gov/recovery/reporting. An Air Emissions Reductions – Calculation Spreadsheet is also available at this website. Report only activity associated with the ARRA Grant Funds related to the Project.

Type	Activity	Sector	Amt-Text	Units
Emissions Reductions	Amount of carbon monoxide (CO) pollutants reduced			metric tons
Emissions Reductions	Amount of greenhouse gases reduced			CO2 equivalents (metric tons)
Emissions Reductions	Amount of nitrogen dioxide (NO2) pollutants reduced			metric tons
Emissions Reductions	Amount of particulate matter (PM) pollutants reduced			metric tons
Emissions Reductions	Amount of sulfur dioxide (SO2) pollutants reduced			metric tons
Emissions Reductions	Amount of volatile organic compounds (VOC) pollutants reduced			metric tons
Energy Cost Savings	Reduction in electricity	Industry		\$

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	costs		
Energy Cost Savings	Reduction in fuel oil costs	Industry	\$
Energy Cost Savings	Reduction in gasoline and diesel fuel costs	Industry	\$
Energy Cost Savings	Reduction in natural gas costs	Industry	\$
Energy Cost Savings	Reduction in propane costs	Industry	\$
Energy Savings	Reduction in electricity consumption	Industry	MWh
Energy Savings	Reduction in electricity demand	Industry	MWh
Energy Savings	Reduction in fuel oil consumption	Industry	gallons
Energy Savings	Reduction in gasoline and diesel fuel consumption	Industry	gallons
Energy Savings	Reduction in natural gas consumption	Industry	mmcf
Energy Savings	Reduction in propane consumption	Industry	gallons
Renewable Energy Capacity and Generation	Amount of electricity generated from other renewable sources		MWh
Renewable Energy Capacity and Generation	Amount of electricity generated from photovoltaic systems		MWh
Renewable Energy Capacity and Generation	Amount of electricity generated from wind systems		MWh
Renewable Energy Capacity and Generation	Amount of electricity generating capacity from other renewable sources installed		MW
Renewable Energy Capacity and Generation	Amount of photovoltaic generating capacity installed		MW
Renewable Energy Capacity and Generation	Amount of wind-powered electric generating capacity installed		MW
Building Energy Audits	Auditor's projection of energy savings	Industry	MMBtu/yr
Building Energy	Floor space audited	Industry	sq ft

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Audits			
Building Energy Audits	Number of audits performed	Industry	#
Building Retrofits	Number of buildings retrofitted	Industry	#
Building Retrofits	Square footage of buildings retrofitted	Industry	sq ft
Other Activity Not Previously Defined	Pertinent metric information for any activity not defined above		Description
Renewable Energy Market Development	Number of other renewable energy systems installed		#
Renewable Energy Market Development	Number of solar energy systems installed		#
Renewable Energy Market Development	Number of wind energy systems installed		#
Renewable Energy Market Development	Size of other renewable energy systems installed		KW
Renewable Energy Market Development	Size of solar energy systems installed		KW
Renewable Energy Market Development	Size of wind energy systems installed		KW
Job Creation/Retention	Description of jobs created or retained	Industry	Description
Job Creation/Retention	ARRA funded hours worked in reporting period for jobs created	Industry	#
Job Creation/Retention	ARRA funded hours worked in reporting period for jobs retained	Industry	#
Job Creation/Retention	Work hours in reporting period	Industry	#

Format: Reports can be provided in Microsoft Word or Adobe Acrobat format. Any other format must receive prior approval from the Cabinet

Where to Submit: The Metrics Report should be emailed to Tim.Back@ky.gov.

Compliance Reports

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The Subrecipient shall provide a compliance report on a monthly basis containing the following information:

1. Subrecipient's DUNS number
2. Primary place of performance for work performed under this contract, including subcontracts. Include city, state, zip code, DUNS number (if available) and federal congressional district.
3. A list identifying each individual about whom the Subrecipient has knowledge that committed a false claim as defined by the False Claims Act or committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or any other misconduct involving the use of ARRA funds.
4. For any vendor, subcontracts equal to or greater than Twenty-Five Thousand Dollars (\$25,000.00):
 - a. The name of the entity awarded the subcontract;
 - b. The amount of the subcontract;
 - c. The transaction type;
 - d. The North American Industry Classification System (NAICS) code;
 - e. Program source; State Energy Program; Industrial Facility Retrofit Showcase
 - f. An award title descriptive of the purpose of each funding action;
 - g. The address of the entity awarded the subcontract;
 - h. A unique identifier of the entity receiving the subcontract and the parent entity of the Subcontractor, should the entity be owned by another;
5. For any vendor, subcontracts of less than Twenty-Five Thousand Dollars (\$25,000.00) or to individuals, the information may be reported in the aggregate and requires the certification of an authorized officer of the Subrecipient that the information contained in the report is accurate.
6. The names and total compensation of the five (5) most highly compensated officers of the company if it received either Eighty Percent (80%) or more of its annual gross revenues in Federal awards, and Twenty-Five Million Dollars (\$25,000,000.00) or more in annual

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gross revenue from Federal awards			

7. Any other information reasonably requested by the Commonwealth or the Cabinet or required by state or federal law or regulation.
8. Format: Reports can be provided in Microsoft Word or Adobe Acrobat format. Any other format must receive prior approval from the Cabinet.
9. Where to Submit: The Compliance Report should be emailed to Tim.Back@ky.gov.

B. SPECIAL STATUS REPORT

A Special Status Report needs to be submitted only if one of the items listed below occurs. If applicable, email Tim.Back@ky.gov or call Tim Back at 502-564-2064 as soon as possible after the event becomes known.

1. Developments that have a significant favorable impact on the Project.
2. Problems, delays, or adverse conditions which materially impair the Subrecipient's ability to meet the objectives of the award or which may require the Cabinet to respond to questions relating to such events from the public. For example, the Subrecipient must report any of the following incidents and include the anticipated impact and remedial action to be taken to correct or resolve the problem/condition
 - a. Any single fatality or injuries requiring hospitalization of five or more individuals.
 - b. Any significant environmental permit violation.
 - c. Any verbal or written Notice of Violation of any Environmental, Safety and Health statutes or regulations.
 - d. Any incident which causes a significant process or hazard control system failure.
 - e. Any event which is anticipated to cause a significant schedule slippage or cost increase.
 - f. Any other incident that has the potential for high visibility in the media.